

By: Hayes

H.B. No. 3405

A BILL TO BE ENTITLED

AN ACT

relating to the contents of a trust accounting.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 113.151, Property Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Section 113.152(b), on a showing of good cause, the court may compel the trustee to include in a written statement of account required by the court under Subsection (a) or (b) an allocation of certain receipts and disbursements to principal and income regardless of whether the distribution standard and beneficiaries are the same for principal and income.

SECTION 2. Section 113.152, Property Code, is amended to read as follows:

Sec. 113.152. CONTENTS OF ACCOUNTING. (a) A written statement of accounts shall show:

(1) all trust property that has come to the trustee's knowledge or into the trustee's possession and that has not been previously listed or inventoried as property of the trust;

(2) a complete account of receipts, disbursements, and other transactions regarding the trust property for the period covered by the account, including their source and nature, with each receipt and disbursement allocated to ~~receipts of~~ principal or ~~and~~ income, subject to Subsection (b) ~~shown separately~~;

(3) a listing of all property being administered, with

1 an adequate description of each asset;

2 (4) the cash balance on hand and the name and location
3 of the depository where the balance is kept; and

4 (5) all known liabilities owed by the trust.

5 (b) A trustee is not required to allocate a receipt or
6 disbursement to principal or income under Subsection (a)(2) if the
7 distribution standard and beneficiaries are the same for both
8 principal and income.

9 SECTION 3. The changes in law made by this Act apply only to
10 a demand for accounting made on or after the effective date of this
11 Act. A demand for accounting made before the effective date of this
12 Act is governed by the law in effect immediately before the
13 effective date of this Act, and the former law is continued in
14 effect for that purpose.

15 SECTION 4. This Act takes effect September 1, 2025.